



Presents:

**A TOTALLY INTEGRATED I.C.T
SERVICE LEVEL AGREEMENT CONTRACT
WITH A LEASE CONTRACT
FOR HARDWARE PROCUREMENT**

For



Client: MADIBENG LOCAL Municipality

(Hereinafter referred to as "the Client")

**THIS SERVICE LEVEL AGREEMENT DEFINES THE SERVICE LEVELS TO BE PROVIDED TO MADIBENG LOCAL MUNICIPALITY
BY FLAME IT STRATEGY REFERRED TO AS ("FLAME").**

UNDER THIS CONTRACT AGREEMENT

SERVICE LEVEL AGREEMENT NUMBER: MLM - IT - 03 – 2015/A2015

Service Definition

FLAME IT STRATEGY will provide Integrated Hardware, Networks and Software Maintenance and Microsoft Services Support to the Local Municipality of MADIBENG as per the contract agreement

Technical Support

FLAME IT STRATEGY will provide MADIBENG Local Municipality with technical support on the above-mentioned I C T platforms

FLAME IT STRATEGY uses commercially reasonable efforts to maintain a standard response time to technical support issues. This response time will depend on the complexity of the problem and support request volume. The Technical Support Department assigns the highest priority to customer problems related to network and server unavailability. The estimated time to respond does not apply to problems that require extensive research and testing.

Billing Disputes

FLAME IT STRATEGY must receive notice of billing disputes within sixty (60) days of the date MADIBENG Local Municipality was invoiced for the Services or MADIBENG Local Municipality shall be deemed to have accepted such charges.

Custom Configuration

Requests for modification to the standard configuration will be considered on a case-by-case basis. Approval of such modifications will be at FLAME IT STRATEGY's sole discretion. FLAME IT STRATEGY does not guarantee any particular result from non-standard configurations nor can it be held liable in any way for Service performance changes or failures which result from non-standard configurations.

Additional Services

MADIBENG Local Municipality may request FLAME IT STRATEGY to perform professional services on a time and materials basis. The request shall include a detailed description of work and the authorized amount of time in hourly increments, to perform the work. FLAME IT STRATEGY may evaluate and revise the request (including the estimated number of hours to perform the work) and reserves the right, in its sole discretion, to decline any request. The services shall be performed at FLAME IT STRATEGY's standard published rates, provided that any emergency services that require commencement within 24 hours shall be charged at 1.5x FLAME IT STRATEGY's standard published rate. FLAME IT STRATEGY will use commercially reasonable efforts to perform requested services. However, it does not guarantee any particular result from performance of services or make any representations or warranties regarding such services nor can it be held liable in any way (including for any credits) for Service performance changes or failures which result from performing tasks requested by MADIBENG Local Municipality.

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Maintenance

Scheduled Maintenance

To ensure optimal performance and security of the Services, FLAME IT STRATEGY will routinely perform maintenance on a regularly scheduled basis within its published maintenance windows. This may require specific Services to be suspended during the maintenance period. FLAME IT STRATEGY schedules maintenance windows according to its policies, which are available upon request. Service unavailability due to scheduled maintenance will be excluded from MADIBENG Local Municipality uptime calculations for availability. FLAME IT STRATEGY will use commercially reasonable efforts to notify MADIBENG Local Municipality in advance of any scheduled maintenance that may adversely affect MADIBENG Local Municipality Services.

Emergency Maintenance

Under certain circumstances FLAME IT STRATEGY may need to perform emergency maintenance, such as security patch installation or hardware replacement. FLAME IT STRATEGY will not be able to provide MADIBENG Local Municipality with advanced notice in case of emergency maintenance. Service unavailability due to emergency maintenance will be excluded from the uptime calculations.

Hardware Replacement

FLAME IT STRATEGY will use industry standard practices to determine whether network and server hardware is functioning properly and will, upon authorization by MADIBENG Local Municipality, replace non-functioning hardware with similarly functioning hardware and will be reimbursed by MADIBENG Local Municipality for such replacements. The signed and dated Equipment contract

(EQUIPMENT SUPPLY CONTRACT AGREEMENT NUMBER MLM - IT - 03 - 2015/B2015) shall be used for all purchases. FLAME IT STRATEGY shall use commercially reasonable efforts to implement hardware replacement within four hours from the time the problem is identified. In the case where this time is exceeded, the excess downtime is counted against the Service Availability Credit.

Service Availability

Uptime

FLAME IT STRATEGY shall provide at least 99.999% Service Availability, measured on a per calendar-month basis. Service Availability is defined as the ability of a user on MADIBENG Local Municipality ICT Infrastructure to access ICT services via his or her authorized account, provided that MADIBENG Local Municipality account is active, in good standing and enabled. Unavailability caused by issues beyond FLAME IT STRATEGY's reasonable control, including denial of service or similar attacks, mail bombs, DNS resolution, Domain Name expiration, Internet availability, SYN attacks, and other events or any other Force Majeure event will be excluded from Service Availability calculations.

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Network and Server

Software Configuration

FLAME IT STRATEGY will exercise industry standard practices to ensure that all pre-installed software is correctly configured. In case there is more than one way to configure the software, FLAME IT STRATEGY will choose the configuration it determines, in its sole discretion, to be the most appropriate.

Patches, Updates and Service Packs

FLAME IT STRATEGY will use commercially reasonable efforts to promptly install security patches, updates, and service packs. Software updates may change system behavior and functionality and as such may negatively affect the Services purchased by MADIBENG Local Municipality. FLAME IT STRATEGY cannot foresee nor can it be responsible for service disruption or changes in functionality or performance due to implementation of software patches and upgrades. If such disruption or changes occur, FLAME IT STRATEGY will use commercially reasonable efforts to remedy the situation as soon as possible after being notified of the problem by MADIBENG Local Municipality.

Required Upgrades

FLAME IT STRATEGY may be required by its software licensors to upgrade MADIBENG Local Municipality to the latest versions of the software. Licensor-required upgrades will be performed at relevant costs and upon reasonable notice to MADIBENG Local Municipality.

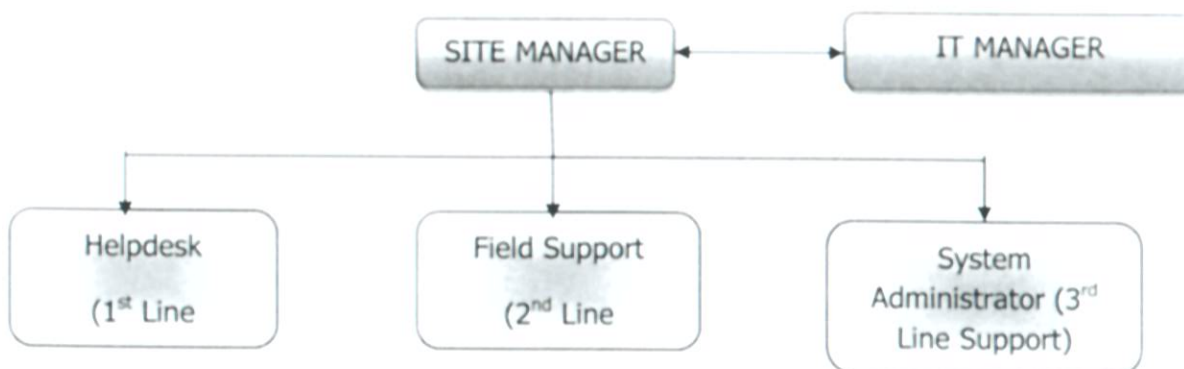
Incompatibilities

FLAME IT STRATEGY is not responsible for problems that may arise from incompatibilities between new versions of the software and MADIBENG Local Municipality content, regardless of whether it was a requested required or a discretionary upgrade. Nevertheless, FLAME IT STRATEGY will use commercially reasonable efforts to assist MADIBENG Local Municipality in finding a solution at standard costs.

RESOURCE ALLOCATION

The resources will be site based and reports to the MADIBENG Local Municipality offices on daily basis during working hours and on standby for after hour support. They will on daily bases ensure that the support is provided.

On-Site Organogram



This is the final break down and body count of this SLA for MADIBENG

Skills	Number
Helpdesk coordinator	2 – Full time
Filed Support	4– Full time
System Administrator	1– Full time
Site Manager	1– Full time
Microsoft Solutions developer	1 – Adhoc
Security consultant	1 – Adhoc
Project Manager	1 – Adhoc
Storage and data recovery specialist	2 – Adhoc

Service offering:

FLAME IT STRATEGY through the above resources will be able to provide the following services as contractually bound by the SLA contract

The services will be as follows

- Microsoft Migration Services to new platform
- General Network and Server maintenance Service packs patches etc
- Configuration and Maintenance of all Microsoft Platforms
- Event log monitoring
- Active Directory configuration and maintenance
- Microsoft Exchange configuration and maintenance
- Data Retention and Backups
- Remote access via VPN for urgent support incidents
- Monitoring all servers for pro-active maintenance
- General desktop support
- Antivirus configuration and management
- General network configuration, maintenance and support
- Capacity planning and management
- Agreed project work (Small to Medium sized projects billed separately)



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- Consulting services

FLAME IT STRATEGY's consultants, who are specialists on particular ICT fields and training, will provide Specialists' services on adhoc basis on the following services on a case by case basis or on a project basis

SAN Storage and Servers

- ✓ Parts and labor, repairs and onsite maintenance services covered

DNS & DHCP support.

- ✓ Active Directory DNS configuration and support
- ✓ DHCP and DNS management and support
- ✓ TCP/IP services management of static and dynamic services

FACILITIES AND ENVIRONMENTAL CONTROL

- ✓ ICT compliance auditing of physical infrastructure
- ✓ ICT server room environmental compliance
- ✓ ICT compliance auditing of logical infrastructure
- ✓ Power backup and reticulation

ADDITIONAL WORK TO BE DONE ONSITE BY OUR STAFF:

HELPDESK IMPLEMENTATION

In order for MADIBENG's ICT department to begin to take shape and make sense to the business and users, a helpdesk must be installed, manned and managed. Calls must be recorded, assigned to engineers and resolved within a given time period.

A Helpdesk is an operation that provides technical information to customers and solves technical problems by providing support and information. To increase the productivity of users using ICT infrastructure in MADIBENG, the need to provide an efficient and effective means to answer their questions and solve their problems. It helps forces organizations to evaluate their processes, priorities and support resources. It also helps bridge and creates better multi departmental collaboration and cooperation by sharing a common support database.

- ✓ To enable incidents and requests to be dealt with quickly and effectively
- ✓ To ensure that an incident only requires reporting once
- ✓ To ensure that those providing technical support understand the details to enable them to resolve incidents as quickly as possible.
- ✓ To provide systems are up and running, even if only a temporary repair, but to ensure it is fixed completely within a specified time.
- ✓ To get best value for money from those providing technical support by providing good quality information about incidents and requests.
- ✓ To ensure that requests meet the MADIBENG Local Municipality internal ICT policy and purchases are approved through the agreed processes.

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- ✓ To report on trends, common incidents and their resolution to the staff that finds them helpful
- ✓ To support information to MADIBENG Local Municipality managers on ICT areas that requires more attention or expenditure.

EXCLUSIONS FROM THE SLA CONTRACT PRICING BUT INCLUDED ON THE OVERALL CONTRACT ROLLOUT AS PER ICT STRATEGY AS ADDITIONAL SCOPE:

The following have been included on the pricing on the main contract.

These are

1. SERVER ROOM CLEAN UP AND ENVIRONMENTAL ASSESSMENT.

MADIBENG Local Municipality currently does not have a functional server room. This will need to be built from nothing and afresh. There is a certain acceptable standard that the server room must adhere to, and the standard will include some requirements to it which would satisfy the auditor general's audit.

Scope of work would be classified as follows:

- ✓ Power reticulation and backup assessment
- ✓ Fire suppression assessment
- ✓ Access Control
- ✓ Raised floors
- ✓ Re-cabling the entire buildings to new standards
- ✓ Alarms, smoke detectors and air conditioner assessment
- ✓ Connectivity to the remote sites and regional sites
- ✓ A centralized and centrally controlled Uninterruptable Power Supply (UPS)
- ✓ Remote indication of malfunctions hardware and software
- ✓ Development of a call Centre system, and the hardware plus software licenses, training and development, integration to the other systems
- ✓ GIS project would be developed from nothing and be integrated into the financial system and call Centre system

Phase 02 scope of work:

- ✓ Disaster recovery plans, equipment and site set up costs and maintenance
- ✓ Information cycle management and data store and archive infrastructure
- ✓ Business continuity plans, the testing thereof, process evaluations, equipment needed
- ✓ Training on systems, ICT capacity building, retention of key ICT skills, development of policies and procedures

NB: these projects would be done in each of the listed phases in the contract years. FLAME IT STRATEGY would do the work as per the contract and the scope of work document and bill for it separately.

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2. SOFTWARE LICENCES AND PAYMENTS

MADIBENG Local Municipality's ICT department already has a vendor for the licenses for Microsoft platforms, virus management and backup and restore. As such they have requested that this part of the business be left out of this SLA. They will source these licenses from the vendors that they deal with currently and provide these licenses for us.

1. The total spectrum of licenses will cover
 - a. Microsoft – used for all server and desktop operating systems and applications.
 - b. Symantec end point – used for all virus and spyware and overall gateway security for all connections into systems and protection against all interceptions and phishing attacks.
 - c. Backup exec – used for all systems data backup and restore functionalities.
 - d. VMware licenses – A powerful tool to virtualize you server resources and aggregate them into logical pools for allocation of multiple workloads.

ADDITIONAL WORK TO BE DONE ONSITE BY OUR STAFF:

1. NETWORK CABLE MANAGEMENT
2. RACK OPTIMIZATION

NETWORK MANAGEMENT

- ✓ Device Availability
- ✓ Critical Application/Service Status
- ✓ Disk Utilization
- ✓ Memory Utilization
- ✓ Response Time Monitoring
- ✓ Server health check and analysis of key trends
- ✓ Critical Alert Notification
- ✓ Asset Tracking
- ✓ Remote Access (this is a project on its own that requires new hardware and process flow in order for it to begin to take shape)

NETWORK AND SERVER ROOM ASSET MANAGEMENT

Is a systematic process of operating, maintaining, and upgrading assets cost-effectively. all ICT assets that are of value are monitored and maintained. Ensure that assets are tagged and register for record keeping and referral.

DEVELOP / UPDATE SOME OF THE ICT POLICIES

It is important that all MADIBENG ICT staff understand that their success is dependent upon the integrity of all their users who uses their ICT resources. These policies will assist in establishing the following and more:

- ✓ To establish MADIBENG Local Municipality Protocol for Information Security.
- ✓ Help identify and prevent the compromise of Information Security and the misuse of MADIBENG ICT resources.
- ✓ To protect the reputation of the MADIBENG

Call logging Eligibility Exceptions

A call will not be logged or issued in the following circumstances:

- ✓ The downtime or hardware failure is caused by Customer or parties authorized by Customer to use the service.
- ✓ Customer is past due at the time the downtime or hardware failure occurs
- ✓ The downtime or hardware failure is due to a failure of power, facilities, equipment, systems or services not provided, owned, or managed by FLAME IT STRATEGY
- ✓ The downtime or hardware failure is due to a failure of third party service to FLAME IT STRATEGY
- ✓ The downtime or hardware failure is due to a failure of application, software, or operating system failure
- ✓ The downtime or hardware failure is caused by maintenance
- ✓ The downtime or hardware failure is due to hacker activity, a denial of service attack, or any other malicious event targeted at FLAME IT STRATEGY, the FLAME IT STRATEGY network, or a FLAME IT STRATEGY customer
- ✓ The downtime or hardware failure is due to a failure of any network or infrastructure not owned or managed by FLAME IT STRATEGY

Exceptions:

Customer shall not hold this Service level agreement responsible in connection with any failure or deficiency of the customer's network caused by or associated with:

- Circumstances beyond reasonable control, including, without limitation, acts of any governmental body, war, insurrection, sabotage, embargo, "Acts of God" (i.e. Fire, flood, earthquake, tornado, etc.), strike or other labor disturbance, interruption of or delay in transportation, unavailability of or interruption or delay in telecommunications or third party services, failure of third party software or inability to obtain raw materials, supplies, or power used in or equipment needed for provision of the Service Level Agreement
- Telco Failure (i.e. cable theft or cutting of a fiber line somewhere)
- Backbone peering point issues (i.e. having a router go down that wipes out internet service for the entire city)
- Scheduled maintenance for hardware/software upgrades
- Hardware failure (faulty hardware is rare, but cannot be predicted nor avoided). We utilize only name brand hardware of the highest quality and performance
- Software bugs/flaws (Exploits, and bugs may develop that cause security issues or downtime)
- Network floods, hacks, attacks from outside parties or individuals
- Failure or error of any monitoring or measurement system
- Client's acts or omissions, including without limitation, any negligence, willful misconduct, or use of other service(s) in breach of FLAME IT STRATEGY Policy and Service Guidelines (AUP), by Client or others authorized by Client

Costing:

SLA is payable monthly in advance from date of signatures from both parties authorized to sign off on this contract.

Contract Escalation Terms

Clause: There shall be a 10% year on year escalation percentage to the total monthly price, starting on the 01/01/2016 month billing invoice in year 2016 continuing forthwith on the months that shall follow. The parties intend this agreement to be a binding contract, and not an offer to enter into a contract at a later date. The price determination will take place as set forth by the applicable agreed percentage escalation herein.

NB: Please see our price annexure as attached in schedules at the end of this contract

Assumptions on costing:

- ✓ We assume that the licenses for the software being rolled out will be procured and the license keys verified, supplied to us for use on projects and management of SLA, on time during the duration of this contract.
- ✓ We assume that the office space has already been allocated for our team and we would be utilizing it for our office accommodation for the duration of this project.
- ✓ We assume that the existing technical staff would still be deployed and utilized as part of the overall ICT team.
- ✓ We assume that parking and the necessary entry clearance / access control would be done before we get to sit.

SLA Exclusions:

- ✓ The overall financial systems software and licenses has been excluded from the pricing as it is not our key competence and there is an existing contract with the service provider. The client will continue with the current contract.
- ✓ The document production machines are excluded (photocopiers, printers, scanners, faxes, etc.). The client will continue with the current contract.
- ✓ GIS hardware and software procurement and support has been left out of the pricing of this SLA; it will be a special project once the budget has been approved for it.
- ✓ Routers and the internet lines have been excluded and will be covered by MADIBENG.
- ✓ Disaster recovery plans, equipment and site set up costs have been excluded; it will be a special project, but the contract allows for a scope of work to be done on it, once the budget becomes available.
- ✓ Information cycle management and archive infrastructure has been excluded due to budget, but the contract allows for a scope of work to be done on it, once the budget becomes available.
- ✓ Business continuity plans, process evaluations, equipment needed have been excluded, but the contract allows for a scope of work to be done on it, once the budget becomes available.
- ✓ Connectivity to the remote sites and regional sites have been excluded due to budgetary constraints, but the contract allows for a scope of work to be done on it, once the budget becomes available.
- ✓ Training on systems, development of policies and procedures has been excluded due to budgetary constraints. This would be covered once it has been properly budgeted for.

(The above forms part of the Out of scope work to be done later on and billed separately on a separate invoice as it is a separate project. Depends on the budget allocated to them by the)

1. MONTHLY RATE FOR THE SLA SERVICES

The monthly rental rate the SLA is [R 509 990.40 INCLUDING VAT] and shall be paid in advance in installments of [R 509 990.40 INCLUDING VAT] each month, beginning on [05/01/2015] and on the first day of each succeeding month throughout the term hereof. [BY MEANS OF A CHEQUE OR ELECTRONIC TRANSFER], or at such other place as Lessor/ FLAME IT STRATEGY may designate from time to time. Any installment payment not made by the [7]th day of the month shall be considered overdue and in addition to Lessor/ FLAME IT STRATEGY's other remedies, Lessor/ FLAME IT STRATEGY may levy a late payment charge equal to [10%] per month on any overdue amount. There shall be a 10% year on year escalation on this price starting on the anniversary period of the signing of this agreement and continuing thereon as per the agreement.

Terms

The client hereby agrees that the Monthly Service Level Agreement is payable in advance on or before the 1st of the month for the following month, starting on the 05/01/2015 and running for a period of 3 years and shall be renewed for an additional 2 years after that, should the services provided by FLAME IT STRATEGY be deemed necessary and essential by MADIBENG at that stage.

Banking details will be provided per invoice for the payment. Monthly invoices will combine SLA as well as any additional hours worked for in the previous month.

The client shall always sign the call sheet of the field engineer at the time of arrival as well as time of departure in order to confirm amount of hours spent on site.

Contract Escalation Terms

Clause There shall be a 10% year on year escalation percentage to the total monthly price, starting on the anniversary month which is 01/01/2016 continuing forthwith on the months that shall follow. The parties intend this agreement to be a binding contract, and not an offer to enter into a contract at a later date. The price determination will take place as set forth by the applicable agreed percentage escalation herein.

Additional Services

FLAME IT STRATEGY provides forensic services as well as surveillance options for clients that suspect the abuse or illegal access of their computer equipment. Such services are not part of this service level agreement but can be supplied as and when required on a case by case basis and on quotation basis.

Terms & Conditions / Definitions

RECITALS

This Agreement sets forth the terms and conditions under which MADIBENG LOCAL MUNICIPALITY will provide FLAME IT STRATEGY with certain Equipment under bailment and FLAME IT STRATEGY will provide certain support services to MADIBENG LOCAL MUNICIPALITY on specified FLAME IT STRATEGY premises (hereinafter referred to as the "FLAME IT STRATEGY Network Location(s)").

WHEREAS, FLAME IT STRATEGY is desirous and capable of providing support services for certain MADIBENG LOCAL MUNICIPALITY-Provided Equipment which interconnects to FLAME IT STRATEGY transmission services; and

WHEREAS, MADIBENG LOCAL MUNICIPALITY desires to have the Equipment supported by FLAME IT STRATEGY in a designated portion of certain FLAME IT STRATEGY Network Location(s), as set forth in Exhibit A of this agreement (hereinafter referred to as the "Location and Equipment Summary"), which is attached hereto and made a part hereof; and

WHEREAS, MADIBENG LOCAL MUNICIPALITY and FLAME IT STRATEGY (hereinafter referred to cumulatively as the "Parties" and singularly as the "Party") have agreed on the terms which shall govern the bailment and support of the Equipment as set forth in Exhibit B of this agreement (hereinafter referred to as the "Statement of Work"), which is attached hereto and made a part hereof, and as set forth in Exhibit C of this agreement (hereinafter referred to as the "Non-Recurring, Supply contract pricing and Monthly Recurring SLA Pricing Summary"), which is attached hereto and made a part hereof.

NOW, THEREFORE, in consideration of the mutual agreements and promises contained herein and for other good and valuable consideration, the receipt and sufficiency of which is hereby acknowledged, the Parties agree as follows:

1. UNDERTAKINGS

- A MADIBENG LOCAL MUNICIPALITY will provide for the inside delivery of the Equipment at the FLAME IT STRATEGY Network Location(s) as specified in the Location and Equipment Summary with proper and timely notification as specified in the Statement of Work
- B FLAME IT STRATEGY will install, manage, maintain the Equipment at the MADIBENG LOCAL MUNICIPALITY'S Network Location(s) as specified in the Location and Equipment Summary in accordance with FLAME IT STRATEGY and Industry standards and practices as specified in the Statement of Work
- C FLAME IT STRATEGY will connect the Equipment to FLAME IT STRATEGY services at the MADIBENG LOCAL MUNICIPALITY Network Location(s) as specified in the Location and Equipment Summary in accordance with FLAME IT STRATEGY standards and practices as specified in the Statement of Work
- D FLAME IT STRATEGY will hold the Equipment in bailment for use only at the MADIBENG LOCAL MUNICIPALITY'S Network Location(s) as specified in the Location and Equipment Summary and only for the purposes contemplated herein
- E During the term of the bailment, FLAME IT STRATEGY shall provide space, power, testing, environment and other support services for the Equipment as set forth in the Statement of Work and FLAME IT STRATEGY shall have no other responsibility for the Equipment
- F FLAME IT STRATEGY shall cooperate fully with MADIBENG LOCAL MUNICIPALITY in the provision of these support services and agrees to perform those activities identified as FLAME IT STRATEGY Responsibilities in the Statement of Work

2. TERM AND TERMINATION

- A The initial term of this Agreement shall commence on the [05/01/2015], shall continue for a period of [THREE / 3YRS] years, and then shall terminate on [05/01/2018], and shall be renewed for an additional 2 years after that, should the services provided by FLAME IT STRATEGY be deemed necessary and essential by MADIBENG at that stage
- B This Agreement is binding when executed by MADIBENG LOCAL MUNICIPALITY and subsequently accepted by FLAME IT STRATEGY and once accepted by FLAME IT STRATEGY, the rates and charges provided in this Agreement will be effective from the first day of the next billing cycle following MADIBENG LOCAL MUNICIPALITY's signature date (the "Effective Date")
- C Either Party may terminate this Agreement following the giving of [90 DAY] calendar days prior written notice of termination to the other Party
- D If MADIBENG LOCAL MUNICIPALITY terminates this Agreement prior to the expiration of the initial [3 YEARS] year term, MADIBENG LOCAL MUNICIPALITY will pay FLAME IT STRATEGY the remainder of the contract's months or years left of the signed and dated period of expiry of this agreement, in addition to all other charges due, per FLAME IT STRATEGY Network Location, which amount shall represent liquidated damages that MADIBENG LOCAL MUNICIPALITY agrees are reasonable
- E MADIBENG LOCAL MUNICIPALITY shall remove its Equipment from the FLAME IT STRATEGY Network Location(s) within [90 days] calendar days of the termination of this Agreement and, if MADIBENG LOCAL MUNICIPALITY fails to do so, FLAME IT STRATEGY may itself remove the Equipment and store the same at MADIBENG LOCAL MUNICIPALITY's expense and at MADIBENG LOCAL MUNICIPALITY's sole risk. Any expenditure by FLAME IT STRATEGY for the removal and storage of the Equipment shall bear interest at the lesser of [25%] per annum or the maximum rate permitted by law.

- F The rights and duties in Article D, "Warranty and Liability" shall survive the termination of this Agreement

3. FINANCIAL PROVISIONS

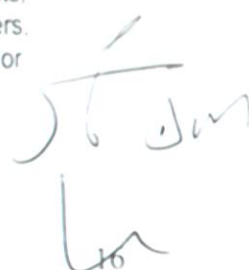
- A MADIBENG LOCAL MUNICIPALITY shall pay FLAME IT STRATEGY a non-recurring fee for Site Preparation, Additional AC or DC Power Circuits and Circuit Interconnection at each of the FLAME IT STRATEGY Network Location(s) as set forth in the Non-Recurring and Monthly Recurring Pricing Summary
- B MADIBENG LOCAL MUNICIPALITY shall pay FLAME IT STRATEGY on a monthly recurring basis for Location Management Fee(s), an Uninterruptable Power Supply (UPS) for [20kva OR OTHER] AC Power Circuits and for FLAME IT STRATEGY First-Level Maintenance Support at each of the FLAME IT STRATEGY Network Location(s) as set forth in the Non-Recurring and Monthly Recurring Pricing Summary And MADIBENG LOCAL MUNICIPALITY shall pay for the equipment maintenance and network uptime period fees due to FLAME IT STRATEGY as per their schedule of fees in the SLA contract
- C MADIBENG LOCAL MUNICIPALITY shall pay FLAME IT STRATEGY a one-time charge of R50 000 per circuit when, at the MADIBENG LOCAL MUNICIPALITY's request, FLAME IT STRATEGY provided cabling is added, moved or changed after the initial Site Preparation work listed in the Equipment and Location Summary is completed by FLAME IT STRATEGY This charge is in addition to any other charges specified in the applicable tariff or contract from the entity from which the facility or service is obtained
- D For equipment moves made pursuant to MADIBENG LOCAL MUNICIPALITY's request, MADIBENG LOCAL MUNICIPALITY shall pay for each unit of Equipment if this is moved to a different location within the same FLAME IT STRATEGY Network Location after the initial Site Preparation work listed in the Equipment and Location Summary is completed by FLAME IT STRATEGY MADIBENG LOCAL MUNICIPALITY shall not use any other service provider to do this work without the first right of refusal being given to FLAME IT STRATEGY, who hold that right in this contract as equipment monitors and maintenance providers
- E MADIBENG LOCAL MUNICIPALITY shall pay directly or reimburse FLAME IT STRATEGY, as applicable for all taxes, duties, and similar liabilities which may result from this Agreement, or any support services specified hereunder, exclusive of taxes based on FLAME IT STRATEGY's net income
- F All invoices shall be due and payable in [RANDS] within [30 DAYS] calendar days upon receipt as set forth in the Non-Recurring and Monthly Recurring Pricing Summary

4. WARRANTY AND LIABILITY

- A FLAME IT STRATEGY warrants that its undertakings hereunder shall be performed in a professional and workmanlike manner and that it will provide Support Services in accordance with this Agreement.

NO OTHER WARRANTIES ARE EXPRESSED OR IMPLIED, INCLUDING BUT NOT LIMITED TO, ANY WARRANTIES OF MERCHANTABILITY OR FITNESS FOR A PARTICULAR PURPOSE

- B MADIBENG LOCAL MUNICIPALITY warrants that it has the unrestricted right to place the Equipment at FLAME IT STRATEGY's Location(s) listed in the Location and Equipment Summary for the term of this Agreement.
- C FLAME IT STRATEGY shall NOT be deemed negligent, at fault or liable in any respect to the other for any delay, interruption or failure in performance hereunder resulting from fire, flood, water, the elements, explosions, acts of God, war, accidents, labor disputes, strikes, shortages of equipment or suppliers, unavailability of transportation or other cause beyond the reasonable control of the Party delayed or prevented from performing



- D Except to the extent the same is caused solely by the gross negligence or willful misconduct of FLAME IT STRATEGY, its authorized agents or employees, MADIBENG LOCAL MUNICIPALITY shall indemnify and hold harmless FLAME IT STRATEGY, its agents, contractors and employees from and against any and all claims, liability, damage, loss, or expense (including attorney's fees) including injury or death to persons, or damages to property, both real and personal, which may arise out of: (a) the presence of MADIBENG LOCAL MUNICIPALITY's unit(s) of Equipment, employees, contractors or agents on FLAME IT STRATEGY's premises; (b) the installation, operation, maintenance or removal of the MADIBENG LOCAL MUNICIPALITY's unit(s) of Equipment from FLAME IT STRATEGY's premises; (c) any inherent defects in the MADIBENG LOCAL MUNICIPALITY's unit(s) of Equipment
- E MADIBENG LOCAL MUNICIPALITY shall indemnify and hold harmless FLAME IT STRATEGY, its agents, contractors and employees from and against any and all claims, liability, damage, loss, or expense (including attorney's fees) including injury or death to persons, or damages to property, both real and personal, which may arise out of the negligent or intentional acts or omissions of MADIBENG LOCAL MUNICIPALITY, its agents, employees or contractors
- F FLAME IT STRATEGY shall not be liable for any damages to the Equipment for any reason, except to the extent the same is caused solely by the gross negligence or willful misconduct of FLAME IT STRATEGY, its authorized agents or employees, provided, however, that in the event the Equipment while in the possession and control of FLAME IT STRATEGY is either lost or so damaged as the result of FLAME IT STRATEGY's gross negligence or willful misconduct, the maximum liability of FLAME IT STRATEGY for said Equipment shall not exceed the replacement value of the Equipment in a dismantled state, if repairs are impracticable, or, in the event said Equipment is repairable, the costs to repair damage thereto
- G In no event shall either Party be liable to the other for any indirect, incidental, special or consequential damages, including loss of revenue and profits, even if aware of the possibility thereof
- H Notwithstanding anything to the contrary in this Agreement, FLAME IT STRATEGY's liability to MADIBENG LOCAL MUNICIPALITY for any reason and upon any cause of action or claim in contract or tort, including without limitation breach of this Agreement or any warranty hereunder, regardless of form of action, shall not exceed the lesser of direct damages proved or [NUMBER] month's Location Management Fee
- I THE LIMITATIONS SET FORTH IN THIS ARTICLE D APPLY TO ALL CAUSES OF ACTIONS OR CLAIMS IN THE AGGREGATE INCLUDING WITHOUT LIMITATION, BREACH OF CONTRACT, BREACH OF WARRANTY, NEGLIGENCE, STRICT LIABILITY, MISREPRESENTATION AND OTHER TORTS. FURTHER, NO CAUSE OF ACTION WHICH ACCRUED MORE THAN [NUMBER] YEARS PRIOR TO THE FILING OF A SUIT ALLEGING SUCH CAUSE OF ACTION MAY BE ASSERTED AGAINST FLAME IT STRATEGY, MADIBENG LOCAL MUNICIPALITY AND FLAME IT STRATEGY EXPRESSLY ACKNOWLEDGE AND AGREE THAT THE LIMITATIONS AND EXCLUSIONS CONTAINED HEREIN REPRESENT THE PARTIES' AGREEMENT AS TO THE ALLOCATION OF RISK BETWEEN THE PARTIES IN CONNECTION WITH FLAME IT STRATEGY'S OBLIGATIONS UNDER THIS AGREEMENT. THE PAYMENTS PAYABLE TO FLAME IT STRATEGY IN CONNECTION HERewith REFLECT THIS ALLOCATION OF RISK AND THE EXCLUSION OF CONSEQUENTIAL DAMAGES IN THIS AGREEMENT.

5. ACCESS, TITLE AND INSURANCE

- A. MADIBENG LOCAL MUNICIPALITY, its agents, employees and contractors who, in FLAME IT STRATEGY's discretion, do not pose a security risk to FLAME IT STRATEGY personnel or property, shall be permitted access to FLAME IT STRATEGY Location(s) listed in the Location and Equipment Summary, to be accompanied at all times by an FLAME IT STRATEGY escort, during normal business hours for the purpose of installing, operating, maintaining, repairing or removing the unit(s) of Equipment, after giving a reasonable advance notice to FLAME IT STRATEGY, provided, however, that MADIBENG LOCAL MUNICIPALITY agrees to comply with FLAME IT STRATEGY's security regulations and other local site operating policies and procedures while on the FLAME IT STRATEGY Network Location for these express

purposes. A reasonable advance notice as referenced above shall be provided as follows: (a) a minimum of no less than [NUMBER] calendar days' notice for the purpose of installing, preparing or removing the Equipment; (b) a minimum of [NUMBER] hours advance notice for routine preventive maintenance on the Equipment; (c) as soon as possible for the reporting of a network malfunction causing loss of service or a degraded operating condition in the Equipment

- B The Parties agree that MADIBENG LOCAL MUNICIPALITY is making the Equipment available hereunder as a bailment and that title to the Equipment will remain with MADIBENG LOCAL MUNICIPALITY or MADIBENG LOCAL MUNICIPALITY's lessor and that FLAME IT STRATEGY shall have no right, title or interest therein, except as expressly provided in this Agreement. FLAME IT STRATEGY will not impose liens, security interests or encumbrances on the Equipment
- C The Parties agree not to move the Equipment to any other location prior to the expiration of this Agreement without the other Party's prior written consent nor to make alterations in or affix attachments to the Equipment, except that MADIBENG LOCAL MUNICIPALITY may make those alterations or affix attachments to the Equipment as necessary for MADIBENG LOCAL MUNICIPALITY's networking requirements, provided MADIBENG LOCAL MUNICIPALITY gives FLAME IT STRATEGY advance notice of no less than [NUMBER] days before making such changes to the Equipment, and that FLAME IT STRATEGY may relocate the Equipment to another FLAME IT STRATEGY Location for its convenience due to FLAME IT STRATEGY's networking requirements
- D In the event of such Equipment relocation for FLAME IT STRATEGY's convenience, FLAME IT STRATEGY agrees to pay all costs associated with the removal, moving, installation and demarcation of such equipment, other than any direct or indirect costs, of any kind or nature, incurred by MADIBENG LOCAL MUNICIPALITY for its vendors or technicians (whether employees or independent contractors) including without limitation, travel and lodging expenses (if any) and salary or other payments for services rendered. MADIBENG LOCAL MUNICIPALITY understands that during such an Equipment relocation MADIBENG LOCAL MUNICIPALITY will experience a communications service outage while the Equipment is being relocated
- E Throughout the term of this Agreement, MADIBENG LOCAL MUNICIPALITY shall obtain, maintain and pay for: (i) all risk property insurance covering the Equipment; (ii) comprehensive general liability (including products and completed operations liability and broad form property damage) insurance covering the Equipment and the contractual liability of MADIBENG LOCAL MUNICIPALITY under this Agreement in form and with insurers reasonably satisfactory to FLAME IT STRATEGY and with a minimum limit of [R1000 000] per occurrence for personal injury, bodily injury and property damage; (iii) Worker's Compensation with statutory benefits; (iv) Employees Liability with a minimum limit of [R50 000] per occurrence; and (v) automobile liability insurance with a minimum limit of [R100 000] per occurrence for bodily injury and property damage. All insurance policies required to be maintained by MADIBENG LOCAL MUNICIPALITY under this Agreement shall be with insurance companies licensed to do business in the states where the Equipment is located, reasonably satisfactory to FLAME IT STRATEGY, and shall name FLAME IT STRATEGY as an additional insured. Certificates of such insurance (showing payment of current premiums thereon) shall be delivered to FLAME IT STRATEGY a minimum of [30] days prior to Equipment delivery with renewals thereof delivered to FLAME IT STRATEGY a minimum of [NUMBER] days prior to the expiration of any such policies. Each policy shall contain an agreement by the insurer that such policy shall not be canceled without [30] days prior notice to FLAME IT STRATEGY.

Certificates of insurance should be mailed to

Pretona
15 Jacaranda Street
Amandasig
Pretona, 0182
South Africa
P O Box 60322 Karen Park 0118
Tel +27 12 549 6216
Fax +27 12 549 6563

6. CANCELLATION FOR CAUSE

- A. In addition to any other rights of termination specified herein, either Party may terminate this Agreement upon [90] days prior written notice to the other in the event of:
- i. the other's failure to pay any amounts due hereunder and not duly contested in good faith within [90] days after the receipt of the terminating Party's written notice of default concerning the same or
 - ii. The other's failure to cure a material breach within [90] days after receipt of the terminating Party's written notice of default concerning the same
 - iii. The equipment shall be reposed and the agreement rendered invalid. The amounts owed on the lease and the outstanding lease period covered by the agreement shall then be brought forward with this cancellation and monies outstanding, owed, shall then be demanded in full
 - iv. The client, MADIBENG LOCAL MUNICIPALITY, shall then be liable for all additional costs incurred in such a cancellation

7. NON-COMPETITION

A. By MADIBENG LOCAL MUNICIPALITY

The MADIBENG LOCAL MUNICIPALITY covenants and agrees that it will not directly or indirectly for the term of this Agreement and for a period of two years following the termination of this Agreement

- (i) Engage in, continue in or carry on any business which competes with FLAME IT STRATEGY in FLAME IT STRATEGY's Business (hereunder described) or which is substantially similar thereto
- (ii) offer employment to a person who is or was employed by FLAME IT STRATEGY during the then immediately preceding [24] months, or assist any other person or entity in offering employment to a person who is or was employed by FLAME IT STRATEGY, during the then immediately preceding [24] months, without the prior written consent of FLAME IT STRATEGY;
- (iii) undertake any business with or solicit the business of any person, firm or company who shall have been a customer of FLAME IT STRATEGY and with whom any executive of FLAME IT STRATEGY or their subordinates has dealt with during the then immediately preceding [24] months which might adversely affect FLAME IT STRATEGY's business relationship with such a customer, but only if such solicited business relates to FLAME IT STRATEGY's Business;
- (iv) Engage in any practice the purpose of which is to evade the provisions of this covenant not to compete.
- (v) MADIBENG LOCAL MUNICIPALITY shall procure, source goods and services related to the overall ICT sector, within all its departments ONLY from FLAME IT STRATEGY for the duration of this SLA contract, under the signed equipment contract for the duration of this SLA and Equipment contract period. Should this be violated, MADIBENG LOCAL MUNICIPALITY, agrees to reimburse FLAME IT STRATEGY with the same amount of the opportunity to business lost in this regard or revenue and profits deemed lost because of such a violation in such a procurement exercise. The equipment contract will be binding in this SLA contract period.

B. By FLAME IT STRATEGY

FLAME IT STRATEGY covenants and agrees that it will not directly or indirectly for the term of this agreement and for a period of two years following the termination of this Agreement

- (i) engage in, continue in or carry on any business which competes with the MADIBENG LOCAL MUNICIPALITY in the MADIBENG LOCAL MUNICIPALITY's Business or which is substantially similar thereto.
- (ii) consult with, advise or assist in any way, whether or not for consideration, any corporation, partnership, firm or other business organization which is now or becomes a Competitor of the MADIBENG LOCAL MUNICIPALITY if the principal purpose of such consultation, advice or assistance is to permit such corporation, partnership, firm or business organization to compete with MADIBENG LOCAL MUNICIPALITY in the MADIBENG LOCAL MUNICIPALITY's Business, including, but not limited to, advertising or otherwise endorsing the products of any Competitor of the MADIBENG LOCAL MUNICIPALITY for such purpose, soliciting customers or otherwise serving as an intermediary for any such Competitor of the MADIBENG LOCAL MUNICIPALITY for such purpose, loaning money or rendering any other form of financial assistance to or engaging in any form of business transaction with any Competitor of the MADIBENG LOCAL MUNICIPALITY for such purpose.
- (iii) offer employment to a person who is or was employed by the MADIBENG LOCAL MUNICIPALITY during the then immediately preceding [24] months, or assist any other person or entity in offering employment to a person who is or was employed by the MADIBENG LOCAL MUNICIPALITY during the then immediately preceding [24] months, without the prior written consent of the MADIBENG LOCAL MUNICIPALITY.
- (iv) undertake any business with or solicit the business of any person, firm or company who shall have been a customer of the MADIBENG LOCAL MUNICIPALITY and with whom any executive of the MADIBENG LOCAL MUNICIPALITY or their subordinates has dealt with during the then immediately preceding [24] months which might adversely affect the MADIBENG LOCAL MUNICIPALITY's business relationship with such customer, but only if such solicited business relates to the MADIBENG LOCAL MUNICIPALITY's Business, or
- (v) Engage in any practice the purpose of which is to evade the provisions of this covenant not to compete.

8. NOT A LEASE OR LICENSE

MADIBENG LOCAL MUNICIPALITY understands and agrees that this Agreement is not intended to and shall not be deemed to grant MADIBENG LOCAL MUNICIPALITY any property rights in any of the FLAME IT STRATEGY Network Location(s) listed in the Location and Equipment Summary.

9. INDEPENDENT CONTRACTOR RELATIONSHIP

It is acknowledged and agreed that FLAME IT STRATEGY's relationship with the MADIBENG LOCAL MUNICIPALITY is at all times hereunder an independent contractor. The MADIBENG LOCAL MUNICIPALITY shall have no authority over FLAME IT STRATEGY's internal business affairs and decisions. FLAME IT STRATEGY shall have no authority to act on behalf of, or legally bind the MADIBENG LOCAL MUNICIPALITY, and FLAME IT STRATEGY shall not hold itself out as having any such authority. This Agreement shall not be construed as creating a partnership or joint venture.

10. GENERAL

- A This Agreement sets forth the entire understanding between the Parties with regard to the subject matter hereof and supersedes any prior discussions or representations between them with respect thereto. All amendments to this Agreement shall be in writing and signed by both Parties.
- B Neither Party may use the name, trademark, service mark or Logo of the other Party in any advertising news releases or in any other manner without the written consent of such Party.
- C MADIBENG LOCAL MUNICIPALITY may not assign this Agreement or any of its rights hereunder without written consent by FLAME IT STRATEGY, which shall not be unreasonably withheld.
- D All Equipment provided for FLAME IT STRATEGY by MADIBENG LOCAL MUNICIPALITY hereunder for use in connection with FLAME IT STRATEGY's communications services shall be deemed to be "MADIBENG LOCAL MUNICIPALITY-Provided Terminal Equipment" within the meaning of FLAME IT STRATEGY's Tariff.
- E The relevant rights and obligations of the parties shall survive the termination of this Agreement.
- F All notices, requests, demands or communications required or permitted hereunder shall be in writing delivered personally or by telex, telegram, FLAME IT STRATEGY Mail, or certified, registered, or express mail at the respective addresses set forth below (or at such other addresses as shall be given in writing by either Party to the other). All notices, requests, demands or communications shall be deemed effective upon personal delivery or on the calendar day following the date of the telex, telegram, or FLAME IT STRATEGY Mail, or when received if sent by registered, certified or express mail.

If it is to FLAME IT STRATEGY

Pretona
15 Jacaranda Street
Amandasig
Pretona, 0182
South Africa
P O BOX 60322 Karen Park, 0118
Tel +27 12 549 6216
Fax +27 12 549 6563

If it is to MADIBENG LOCAL MUNICIPALITY

Madibeng Local Municipality
Van Velden Street
Brits
0250
South Africa

P.O.Box 106
Brits
0250
South Africa

Phone: (012) 318 9100
Fax: (012) 318 9203
customercare@madibeng.gov.za



11. GOVERNING LAW

This Agreement, and any dispute arising from the relationship between the parties to this Agreement, shall be governed by the law of the [REPUBLIC OF SOUTH AFRICA] under the jurisdiction of the [GAUTENG PROVINCE], excluding any laws that direct the application of another jurisdiction's laws

12. ATTORNEY PROVISIONING FEES

In any litigation, arbitration, or other proceeding by which one party either seeks to enforce its rights under this Agreement (whether in contract, tort, or both) or seeks a declaration of any rights or obligations under this Agreement, the prevailing party shall be awarded its reasonable attorney fees, and costs and expenses incurred

13. COMMENCEMENT DATE AND DURATION OF MAINTENANCE SERVICE LEVEL AGREEMENT

This Service level Agreement shall be binding and deemed effective when executed by both parties who have been mandated and authorised to sign this agreement on each signature session from each party whose signature is provided for on the signature pages hereof (the "Effective Date")

Commencement Date: 05/01/2015

Termination Date: 05/01/2018

Agreement Period: 36 months

And shall be renewed for an additional 2 years after that, should the services provided by FLAME IT STRATEGY be deemed necessary and essential by MADIBENG at that stage

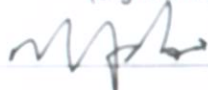
ON BEHALF OF MADIBENG LOCAL MUNICIPALITY

Tebogo Motlashuping

(Name & Surname)



(Signature)



(Witness (01))

Madibeng LM, Brb

(Address)

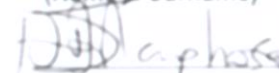
Dated 06/01.2015

ON BEHALF OF FLAME IT

STRATEGY

MR. J. B. MABHOSA

(Name & Surname)



(Signature)



(Witness (01))

15 Taboranah Street, Pretoria

(Address)

Dated 06/01.2015

EXHIBIT A (1)
SITES LOCATION AND EQUIPMENT SUMMARY

Existing Network infrastructure rollout

As attached

EXHIBIT A (2)
SITES LOCATION AND EQUIPMENT SUMMARY

As attached

EXHIBIT A (3)
SITES LOCATION AND EQUIPMENT SUMMARY

Existing Network infrastructure rollout

As attached

EXHIBIT A (4)
SITES LOCATION AND EQUIPMENT SUMMARY

Existing Network infrastructure rollout

As attached

EXHIBIT A (5)
SITES LOCATION AND EQUIPMENT SUMMARY

Existing Network infrastructure rollout

As attached

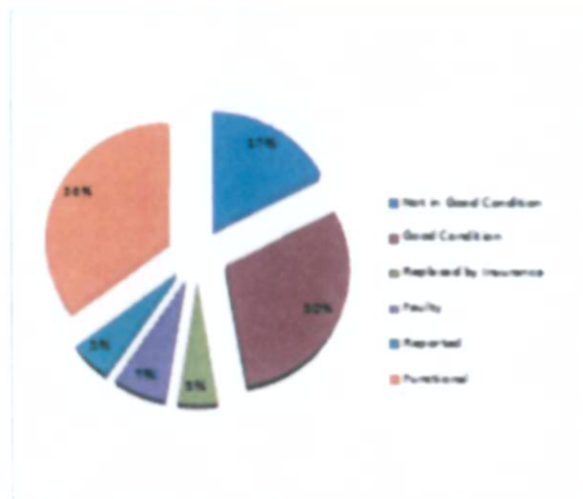
EXHIBIT A (6)
PRICING STRUCTURE

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SITES LOCATION AND EQUIPMENT SUMMARY

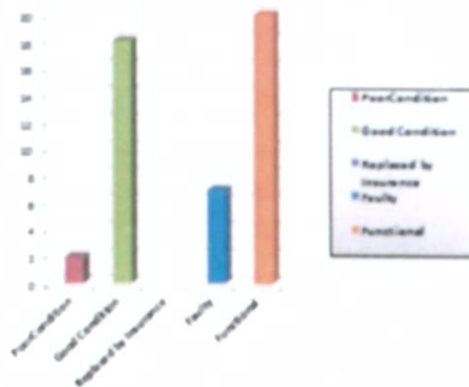
LAPTOPS

LAPTOPS	
Poor Condition	20
Good Condition	36
Replaced by Insurance	6
Faulty	8
Reported	6
Functional	41
Total	69



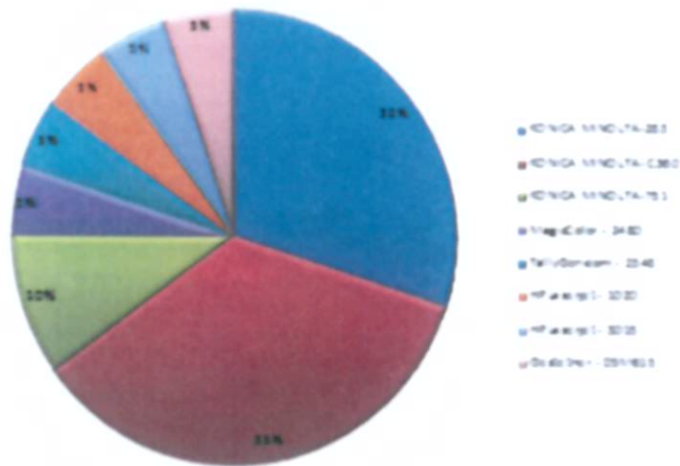
Desktops

Desktop	
Poor Condition	2
Good Condition	27
Replaced by Insurance	
Faulty	7
Functional	20
Total	36

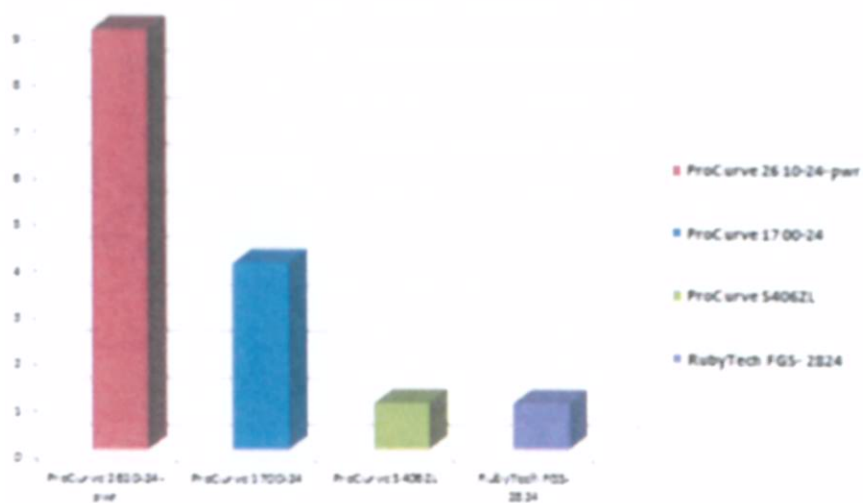


Handwritten signature

Printers



SWITCHES



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EXHIBIT A (7)
SITES LOCATION AND EQUIPMENT SUMMARY

Desktop rollout

As attached

EXHIBIT A (8)
SITES LOCATION AND EQUIPMENT SUMMARY

Servers & Storage Rollout

1.1 List of servers

As attached

1.2 Servers Warranty Status

As attached

2 SAN

2.1 Sub storage System

As attached

3.2 Warranty

As attached

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EXHIBIT B(1)
STATEMENT OF WORK

FLAME IT STRATEGY RESPONSIBILITIES:

FLAME IT STRATEGY agrees to:

- A. Furnish and install, as part of the Site Preparation, such equipment rack(s), signal cabling, demarcation panel(s), AC power and DC power as requested by the Client to support the installation of the Equipment at the MADIBENG head office and regional sites(s) specified in Exhibit A.
- B. Upon completion of Site Preparation, perform testing as FLAME IT STRATEGY deems appropriate to verify proper operation of FLAME IT STRATEGY provided signal cabling, associated demarcation panel(s) and AC power and DC power at the MADIBENG head office and regional sites(s) specified in Exhibit A.
- C. Provide a helpdesk or central telephone number of the FLAME IT STRATEGY Network Management Center (MNNMC) to be used by Client to report all troubles, schedule routine maintenance visits, request First Level Maintenance and to request FLAME IT STRATEGY technical support, should the MADIBENG head office and regional sites be unmanned at time of MADIBENG Local Municipality's request.
- D. FLAME IT STRATEGY will perform "First Level Maintenance" on the Equipment only at the direction of MADIBENG Local Municipality or its designated vendor at the MADIBENG head office and regional sites(s) specified in Exhibit A. FLAME IT STRATEGY will perform "First Level Maintenance" on the Equipment is defined as follows:
 - a. At the direction of the MADIBENG Local Municipality or its designated vendor report any visual or audio alarms on the Equipment at the MADIBENG head office and regional sites(s) specified in Exhibit A.
 - b. At the direction of the MADIBENG Local Municipality or its designated vendor, rebooting and/or restarting the Equipment at the MADIBENG head office and regional sites(s) specified in Exhibit A by pressing of readily accessible buttons or switches.
 - c. At the direction of the MADIBENG Local Municipality or its designated vendor, replace Equipment modules and/or cards with another, onsite at MADIBENG Local Municipality provided spare modules and/or cards are available at the MADIBENG head office and regional sites(s) specified in Exhibit A.
- E. Onsite technicians to order and maintain routine and emergency maintenance on MADIBENG's ICT equipment, provide services up to the demarcation point located in the Equipment locations at the MADIBENG head office and regional sites(s) specified in Exhibit A.
- F. Provide the necessary facilities to provide MADIBENG Local Municipality with the proper transmission quality as stated in the FLAME IT STRATEGY Tariff and/or other agreements by and between the Parties at the MADIBENG head office and regional sites(s) specified in Exhibit A.
- G. Install, cable, power up, repair and test Equipment during such hours as determined by the Site Manager of the MADIBENG head office and regional sites(s) specified in Exhibit A to determine proper operating performance, and ensure that the Equipment provides the proper transmission quality to MADIBENG.
- H. Provide routine preventive and emergency maintenance for the Equipment at the MADIBENG head office and regional sites(s) specified in Exhibit A.
- I. Provide overall network management and monitoring of the Equipment at the MADIBENG head office and regional sites(s) specified in Exhibit A.

EXHIBIT B (2)
STATEMENT OF WORK



Presents

The Onsite technical services scope of work document
For services to be
Rendered under this Service Level Agreement

For

SERVICE LEVEL AGREEMENT NUMBER: MLM - IT - 03 - 2015/A2015



Client: MADIBENG LOCAL Municipality
(Hereinafter referred to as "the Client")

Executive summary

This report is an overview of the General Scope of Work for the Service Level Agreement Contract that FLAME IT STRATEGY enters into with MADIBENG Local Municipality based on the Service level agreement which is herewith signed. This report seeks to highlight the challenges that the overall ICT space at MADIBENG faces in 2015, its impact on the overall business operations, the cost analysis thereof and the human capital investment part of it, the mitigation factors, the risks and the project deliverables to mitigate the foresaid risk within this challenged and short staffed environment and how we intend to correct and alleviate all that in this service level agreement via this drawn up scope of work document for actions on the ground

The SLA will unveil the chartered road map we propose to be followed from here on, the phased approach project methodology we intend to follow as we take over a site with challenges from human resources, lack of proper skills to meet the technological skills demands, financial and budgetary constraints as well as the depleting job satisfaction levels and site preparedness within the overall ICT sector of MADIBENG to meet these challenges and exceed on the expectations from the organization and business

As we tackle this environment, it is very critical for us to have a formidable plan of action to deal with the challenges we would find as we embark on this contract. This report deals in detail with the issues of our planning, our operational and site planning and budget process, issues of project management and the projects we seek to finish and by when, including the partners we have identified in order to partner with for a seamless and meaningful delivery of these projects.

FLAME IT STRATEGY has partnered with industry leaders to form a formidable offering that is able to offer MADIBENG local Municipality services and products at levels unsurpassed in our respective field of specialisation.

Our partner list consists of

HP: This is an ICT industry technology leader globally. They will assist in all the procurement of the entire hardware platforms e.g. computers, Servers and so on.

Compu Cable Projects: These are regional leaders in the ICT cabling and cable projects. They will be involved in the repairs of network connections and site linkage and cable management.

Duxbury: These are industry leaders in the ICT networking space globally, with wireless technologies that are unsurpassed today.

ACT Training: These are regional leaders in the ICT training and development space. Their help is much sought after in this changing industry where technological improvements and upgrades are a daily phenomenon. We will use them to training the MADIBENG local Municipality's ICT personnel as and when required within our contract period.

Intel: These are industry leaders in the ICT technology space, with a niche market in the chipset and processor development. These are the very same processors and chips that hit our market and are utilised in various technological developments and manufacturing of end products which we find in MADIBENG local municipality such as pcs, notebooks and servers.

FLAME IT STRATEGY is systems integrators, ICT auditors and practical solutions recommenders and resellers. FLAME IT STRATEGY's solution is based predominantly on vast experience that we have gained from providing pcs, notebooks and Server Infrastructure to the public sector, with the proven capability offered by our integrated specialised business units.

Our overall partner consists of:

- ✓ HP - The industry giant for all your back end systems all the way to you servers, desktops, printers and backup software.
- ✓ Microsoft - Software Vendor for Applications and operating systems present or to be used within your environment.
- ✓ Axiz WorkGroup - Our preferred hardware and software Supplier, should it be necessary to upgrade your existing hardware and software applications.
- ✓ Intel - The leading chip manufacturer used by the industry leading manufacturers. Their knowledge is unsurpassed.
- ✓ Symantec - The industry leader in the data management, security, and preventative measures in the world of intrusion, auditing and high availability of secure systems and disaster recovery solutions.
- ✓ VMware - Virtualization master, the technology to adopt if you are going places.
- ✓ CISCO - the industry giant in the networking space.

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Our Approach to this SLA:

Having studied, and audited the current ICT space within MADIBENG Local Municipality, we have divided the task at hand as follows:

- a. **Stabilize the environment - Expected Completion Period (from 05/01/2015 – 01/03/2015)**
 - i. This is taking the environment from the ICU state, correcting all the mistakes of the past, sorting out legacy systems and putting out all fires as well as making sure that the fire causers are dealt with. This will form part of the server room environmental assessment plan such as:
 - ii. Reinstallation of power modules: there a lot of loose power cables on the floor. There is an urgent need for cable management.
 - iii. Repairing and connecting UPS to the servers, network and SAN infrastructure. At the moment when there is a power failure, all the equipment in the server room switches off. This is dangerous because sudden loss of power to the equipment may lead to hardware failures and software crashes. We would prefer to be safer than sorry, by preventing these incidents.
 - iv. Repairing of the air condition system. The best performing equipment is the coolest ones. A proper cooling system is required in the server room. This is why equipment in the server room has hardware failures.
 - v. Cable management on all the racks. There is huge problem with the cables in the server room. We have no idea which cable is connected where. This makes it extremely difficult to troubleshoot.
 - vi. Replacement of the fire suppression system. The fire suppression system is not working and poisonous. A new system must be installed, so that when there is a fire in the server room the fire can be stopped automatically without putting any life in danger.
 - vii. Server room clean up. There are a lot of equipment boxes lying around the server room. A server room is a room to keep organisation IT equipment safe and secure. It is not a storeroom.
 - viii. Installation of the remote environmental system (Netbotz). Remote environmental system assists in the notification of what is happening in the server room. When the temperature of the server room goes above the threshold, a notification will be sent to the relevant people. When there is a security breach, the cameras in the racks can assist in finding the culprits.
- b. **Enhance the environment - Expected Completion Period (from 01/03/2015 – 01/07/2015)**
 - i. This is now a stage where we consolidate our technologies, such as: relicense our software environment, redesign our WAN/ LAN.
 - ii. Rack the servers into the server rack, sort out the power line issues PDU issues, rescale the UPS.
 - iii. Install applications software as per best practise standards, check and enhance security such as firewall installation and configuration, antivirus re configuration, storage re configuration, backups, and Microsoft operating systems standardization.
- c. **Maintain the environment - Expected Completion Period (from 01/03/2015 - 01/07/2015)**
 - i. This is when all fires have been put out and the environment enhanced. At this stage, the best of breed technologies would then be introduced to maintain a clean environment towards writing an IT strategy as well as business continuity plans. At this stage all the application intensive services would then commence, such as Active directory, systems centre, virtualization, and so on. This is now a stage where the SLA is running smoothly, without daily fires. At this stage projects such as server room refresh and pcs refresh would be looked at.
- d. **Writing up of policies and procedures - Expected Completion Period (from 01/07 /2015 - 15/12/2015)**

This would be for the entire ICT environment paying particular attention to the deployed technologies. MADIBENG Local Municipality currently has a number of servers. They are a mixture of different vendors, onsite there's HP, Dell and Sun Microsystems. The Sun Microsystem is the Venus server (Financial System), it's currently running Unix operating system. The rest of the servers are running Microsoft Windows 2003 operating systems. The servers are currently out of warranty, and the TFT is not functioning. We recommend a server refresh project. This will assist in standardising the servers, the availability of SLA stock and the maintenance of the hardware. By replacing the servers we will be able to determine the life cycle of the servers. The new equipment will have the latest technology, allowing us to implement technologies like virtualisation.

- e. **SLA period and other projects** **Completion Period (from 16/03/2015 - onwards)**
All the out of scope projects will then fall in this phase. They will be run in concurrency with the service level agreement till the end of the contract.

We view the entire Server Solution as per the below:

At the centre of the solution we have the Hardware Solution

- The hardware solution is fully integrated with the particular Server Application at the endpoint
- Each surrounding slice of pie is a supporting process or service that leads to the success of the proposed notebook solution
- The entire notebook solution may be financed with a buyback option
- The entire solution may also be outsourced along with high level consulting management

The Pie Slices:

1.2 Analysis and Design

- FLAME IT STRATEGY methodology begins with an in-depth investigation into the Environment (Environmental Research) where we investigate business needs, existing equipment, integration etc
- The Environmental Research generally leads to recommending, planning and executing a solution. FLAME IT STRATEGY always take continual cognizance of the Municipal IT Architecture and Security considerations whilst performing these tasks
- FLAME IT STRATEGY can perform in-depth TCO Consulting to do a more comprehensive analysis of the environment.

Due to our continuous engagements with government departments and Municipalities, FLAME IT STRATEGY understands the public sector and local government well and therefore we are able to support and integrate new technology into the existing environment, whilst providing a secure and economic growth path forward. By investigating the specific business needs we are able to provide the solution according to government requirements.

FLAME IT STRATEGY has also provided flexible solutions to integrate into the Seat Management Service (SMS). All the separate components that support the server solution are fully portable to SMS.

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1.3 Implementation and Integration (Technical)

FLAME IT STRATEGY will deliver the highest quality Turn-Key Server solution by doing the following

- FLAME IT STRATEGY will implement the entire solution as per the planning and preparation formed from the Environmental Research.
- We strive for total integration into the existing environment whilst ensuring Business Continuity through professional planning and management.
- FLAME IT STRATEGY Adhere to the International and Governmental Industry Standards
- We believe in continually delivering latest, but not "bleeding-edge" World Class leading products and
- Ensure the highest level of price-to-performance ratio
- Providing products that are manageable, reliable and secure
- Partnering with vendors with whom we can provide and demonstrate quality solutions to meet business requirements

1.4 Support and Maintenance

- FLAME IT STRATEGY have implemented comprehensive systems to support the solution regionally before we see this as a replication of the formula we have used before
- A Maintenance Plan and Service Level Agreement is offered with real risk responsibility which forms the basis of control

1.5 Supporting Products and Services

- A wide range of additional services and product is offered to support the server solution
- These services range from Automated Asset Control through to E-Procurement and Migration Services
- This provides a Flexible Technology Solution

1.6 Logistics and Support

- FLAME IT STRATEGY have a regional geographical coverage of partners that we work with As such their geographical spread will enhance our presence in these regions
- Through these partners we have regional logistics Centre's and maintenance Centre's
- Additional support is received from our established network of engineering teams countrywide

1.7 Disaster Recovery and Risk Management

- FLAME IT STRATEGY also provides various levels of Disaster Recovery - Various Backup Systems are provided from small systems to large Storage Area Networks.
- Hosting Services have been provided as an option.
- FLAME IT STRATEGY takes every precaution to mitigate possible risks.
- Security clearances and requests are adhered to as per standards.

1.8 Project Management (Change Management)

FLAME IT STRATEGY is highly experienced with managing large-scale projects within the Public Sector and municipalities. Success has been achieved by:

- Implementing world-class project methodologies
- Intense management and communication on any critical change management
- Designing the solution to mitigate security risks
- Proactively managing the potential slowdown in productivity that a large change initiative may cause
- FLAME IT STRATEGY provide full management and control throughout the product life cycle
- Involvement of the client within our Quality Assurance Processes to ensure performance and satisfaction of product and solution is maintained.

Financial and Commercial / Legal

FLAME IT STRATEGY are confident that we have provided a comprehensive Financial and Commercial proposition by

- Offering the best possible prices for exceptional quality services and products by virtue of Computer Ink And Media Solution's direct relationship with vendors and importers of the equipment.
- Adhering to all Governmental conditions.
- Providing products and services with the maximum South African local content
- Demonstrating the highest possible world-class TCO solution.
- Being 100% accountable for the work performed.
- Providing technology that is certified to all legal requirements, and
- Supplying a fully manufacture-warranted solution where applicable
- Maintaining sufficient spares holding via reporting from our Helpdesk System and Maintenance System
- FLAME IT STRATEGY has vast experience in the commercial business and an excellent track-record

People and Learning Summary

FLAME IT STRATEGY prides itself as having the best people in the industry by means of

- Ensuring Tight Resource Management
- Implementing Key Performance Measurement Structures
- Ensuring a measured skills and learning organisation across all cultures, and according to the total National demographics of South Africa
- Employing skilled personnel that are representative of our country's demographics

Black Economic Empowerment Summary

- FLAME IT STRATEGY pride themselves as being a True South African Company
- We do justice to South African demographics
- Ensure Mainstream business participation on all levels
- Empower and fast-track PDI's on all levels
- Drive the process from knowledge base to Decision Responsibility
- Participate in Social upliftment and Community Projects
- SMME development and Regional Development



SLA Deliverables are:

In this contract, FLAME IT STRATEGY will be responsible for the service level agreement on the following platforms

- ✓ Servers, Switches & Network (LAN) Management. (same day response to break and fix service)
- ✓ Helpdesk support. (same day response service)
- ✓ Desktop computers. (same day response service)
- ✓ notebooks. (same day response service)
- ✓ SAN storage. (same day response to break and fix service)
- ✓ Ups system (same day response to break and fix service)
- ✓ Training of staff in the IT department and imparting of skills (on going basing)
- ✓ General overall maintenance of ICT tools, gadgets and systems

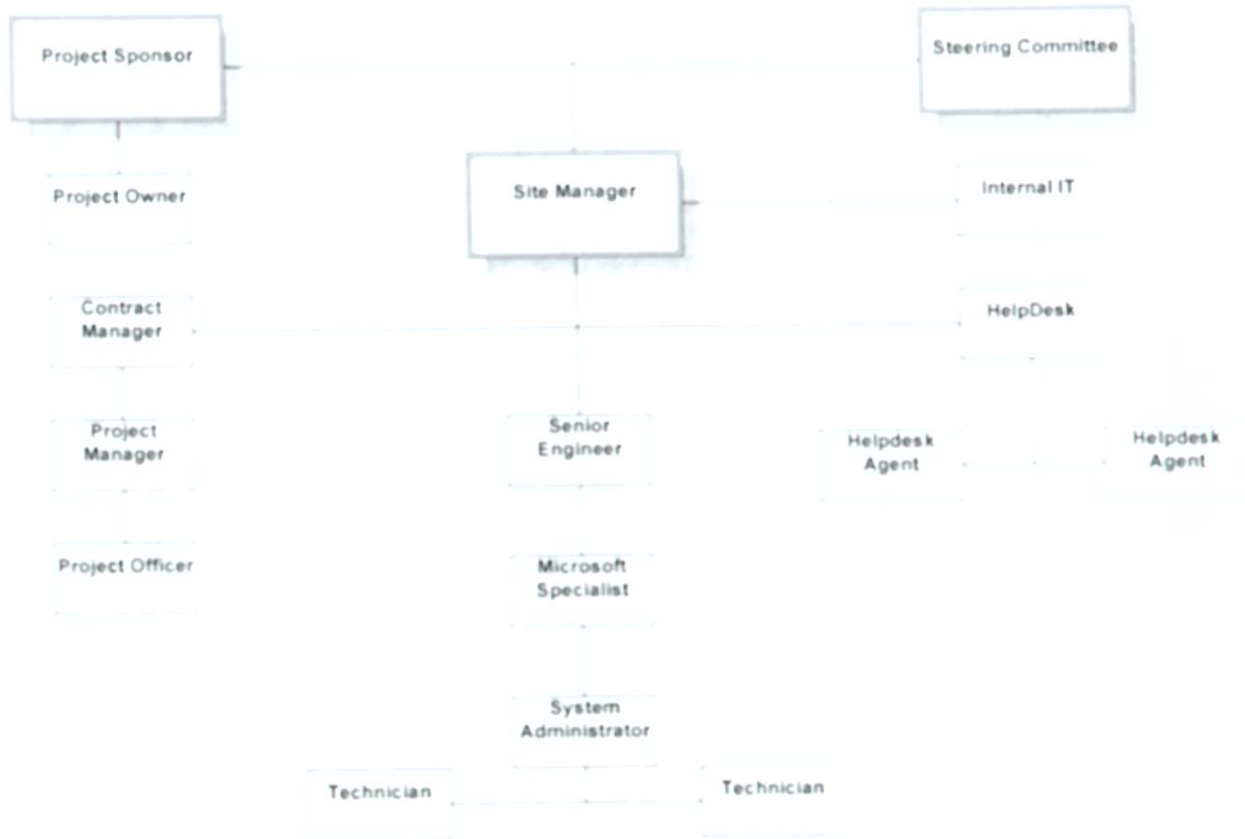
MADIBENG local Municipality has not developed the required skills in-house to maintain the supplied and installed systems update. Therefore they rely on the services of a service provider. The systems supplied are of the latest technology and had required the services of seasoned, trained, well equipped personnel to look after them, which MADIBENG does not have.

Our SLA Value proposition:

FLAME IT STRATEGY would be offering you the following skills sets in order to deliver competitively on this project

- 1 x Site Manager – He will be responsible for the daily management of the staff on site from FLAME IT STRATEGY. He will be responsible for the project schedules, their start and completion. He will manage all site issues and problems, take decisions on how to resolve each problem. He will compile weekly and monthly reports and present them to the Management and the Site CIO. He will report to the CIO and management. He will sit in the steering committee meetings and prepare reports for this committee.
- 1x Systems Administrator – He will be responsible for the daily maintenance and management of systems, backups SAN and LAN. He will link with the software vendors and integrate the Microsoft part of the service level component. He will re-design the Active directory structure, implement Microsoft based projects and deliver them to the site manager.
- 4 x Technicians – They are the foot soldiers of the SLA. They fight fires and respond to calls. They will be responsible for the daily running of the calls logged and their resolution. They will also assist in projects. They will report to the site manager.
- 1x Project manager – She will drive all of the special projects that have been identified and signed off. Her role would be to make sure that each project is delivered on time and on budget. She will manage the project finances, manage the procurement of parts and project material. She will work hand in hand with the site manager and report to the Management and steering committee.
- Helpdesk agents x 2 – These are agents who man and manage the helpdesk system that we will introduce. They are our first line of contact from the user base facing various problems related to their system, pcs or laptop. They will question, and qualify the call and classify it accordingly then assign a qualified engineer to it. They will follow up with the users who logged calls to verify call attendance and call status and then close the call. They will generate the reports on weekly and monthly basis for the Site manager who will then compile a weekly and monthly report.

Proposed technical Staff / on site Staff organogram



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A breakdown of the projects we will be involved with in this SLA:

Scope of Services

Phase 01

- 1 Server room environmental clean-up will involve
 - Infrastructure audit, remote sites scoping and planning
 - Electrical preventative maintenance
 - Access floor cleaning and preventative maintenance
 - Power and data cable physical inspections
 - Management of network cables
 - Free standing and rack based power distribution equipment installation
 - Installation / repairing of water detection systems
 - Installation / repairing of fire suppression and detection equipment
 - Installation / repairing of air conditioning systems
 - Installation of row based cooling systems
 - Reconditioning of the UPS System
- 2 Asset Audit will involve
 - Build and update a configuration management database
 - Collate user and network account information
 - Determine what software is being used on servers, desktops and laptops
 - Map the software and hardware to a site and the user
 - Determine the warranty status of hardware deployed
 - Assist in IT future planning requirement
 - Ensuring that all software and licenses are legitimate
- 3 Server Consolidation will involve
 - Rack preparation (KVM and Power installation)
 - Install servers into the racks
 - Power cable management
 - Network cable management
 - Test network connectivity
 - Apply updated system firmware
 - Apply the correct naming convention on the KVM
 - Reconfiguring the SAN and sizing up data storage
- 4 Networking projects will involve:
 - Audit the current network infrastructure
 - Test and repair all network points in the building
 - Upgrade and Redesign network infrastructure

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- Remove all unmanaged switches
- Install managed switches and configure them
- Configure VLANs with more subnets
- Upgrade the firmware on the switches
- Configure security on the switches

5 Licencing project will include:

- Check and verify with vendor on the Licensing of the applications below
- Microsoft Operating systems (Windows XP, Windows 7, Windows server 2003, Windows server 2008)
- Microsoft office 2010, Office 2007, MS project, MS Visio
- Microsoft Forefront
- Microsoft Exchange 2003 and Exchange 2010
- Symantec Backup Exec
- Symantec End Point Protection Anti-Virus
- VMWare
- 3rd Party Vendors (Munsoft, VIP, Winlib, Collaborator)
- Storage software
- Firewall

6 Anti-Virus Clean-up will include

- Audit the environment for viruses
- Removal of additional antiviruses from servers and desktops
- Installation of antivirus software on the out-dated anti-virus software and machines without anti-virus
- Installation of electronic update of anti-virus patches
- Centralising virus management and update of patches released

Scope of Services

Phase 02

7 Microsoft Active Directory building will involve:

- Rollout Windows 2008 Server to all identified servers
- Implement Active Directory Domain Services
- Implement a forest and domain infrastructure
- Configure FSMO Roles
- Implement DNS Architecture
- Implement DHCP

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- Implement a site infrastructure
- Implement a Group Policy structure
- Setup replication
- Configure Remote Access
- Setup Key Management Service

8 Microsoft Exchange 2013 will include

- Implement Exchange 2013 Architecture on all identified servers
- Configure Exchange 2013 Roles
- Configure Outlook Anywhere
- Configure Anti-Spam
- Configure Message and Recipient Policies
- Configure Connectors
- Test functioning of Active Directory authentication
- Test client access
- Test Exchange functionality
- Configure File and Print services
- Test File and Print services
- Install a Microsoft Certificate Authority

9 Backup Solution project will involve

- Audit data volumes and type of data
- Design backup strategy
- Install backup device (Tape library)
- Install Symantec Backup exec
- Install back agents to all mission critical servers
- Configure backup jobs
- Test backups
- Test restores
- Schedule media rotation
- Document the configuration

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- Create a backup methodology
- Arrange for tape offsite storage
- Procurement of SAN storage for Backup to disk
- Address of site backup archives
- Information life cycle management
- Disaster recovery process formation

Scope of Services

Phase 03

Network enhancement tools and projects will include:

10. Installation according to the T568A Standards for LAN cabling.

The best performing network is the one that had the best design. We have noticed that there are different standards on the network infrastructure. There is mixture of CAT5 and CAT6, which means data is travelling at different speeds between the switches. Bad wiring can also lead to "Runts" and "Giants", this is network packets that are too small or oversized packets. We would reconfigure and sort this issue out as per best practices.

- ✓ **UPS's should be installed for the critical devices at all sites.** This will prevent power surges damaging the switches and WAN devices. It will also to some degree protect the equipment against lightning. We will discuss with the client and sort it out.
- ✓ **Reconfiguration of the Network infrastructure:** to allow a new IP range for the remote sites.
- ✓ **Procuring of additional switches for SLA stock.** When switches fail we need to replace the faulty parts with the least amount of downtime. Having stock available prevents having to wait for stock from the supplier when hardware fails. We will discuss this with the client and sort it out with this period.
- ✓ **Installation of network monitoring tools.** Network monitoring tools assist in troubleshooting, optimisation, notification of security breach, improvement of network performance.
- ✓ **Documentation of network infrastructure:** In order to understand the network implemented, documentation is required.

11. Systems Centre configuration manager project will involve:

Microsoft System Center 2013 is a comprehensive management platform that enables you to more easily and efficiently manage your IT environments, including your server infrastructure and client devices.

With System Center 2013, you get the most cost effective and flexible platform for managing your traditional datacenters, private and public clouds, and client computers and devices.

System Center 2013 is the only unified management platform where you can manage multiple hypervisors, physical resources, and applications in a single offering, versus multiple fragmented point solutions delivered by competitors. We will install and configure

12. **Forefront Threat Management Gateway (TMG).** MADIBENG municipality does not have any security protecting them from external threats. There are no firewalls, no proxy and no protection from malicious software. Forefront Threat Management Gateway 2013 (TMG) is a secure web gateway that provides comprehensive protection against web-based threats by integrating multiple layers of protections into a unified, easy-to-use solution. Forefront TMG allows your employees to safely and productively use the Internet for business without worrying about malware and other threats.

The Forefront TMG solution includes two components.

- **Forefront Threat Management Gateway 2013 Server:** Provides URL filtering, antimalware inspection, intrusion prevention, application and network-layer firewall and HTTP/HTTPS inspection in a single solution
- **Forefront Threat Management Gateway Web Protection Service:** Provides continuous updates for malware filtering and access to cloud-based URL filtering technologies aggregated from multiple web security vendors to protect against the latest Web-based threats

13. Decommissioning of Assets Policy formation and Warranty status

- ✓ Please kindly refer to our budgetary quotation which lists all asserts which we believe should be changed and replaced as they have reached their end of life cycle. This comes at an extra cost as it is not SLA responsibility to replace. This would be sourced under SLA but an invoice would be raised for each item changed.

14. Special Notes

Please note:

- ✓ The deployment of all these solutions that are in phase 03, would be based on the procurement verification of the license numbers and serial numbers for each of the products being rolled out as a required solution. Failure to confirm the product license numbers would result in an aborted installation and a failed project phase.
- ✓ This is the responsibility of the client to provide to us the required product keys that are verified and confirmed.

15. Regional sites connectivity.

- ✓ Developing a thin client solution for the connectivity of the users and sharing of resources with the main site or head office
- ✓ Conversion from manual systems to digital systems in these regional pay points, this will involve the office automation equipment sourcing and installation, configurations, testing and training
- ✓ Instant resolution through the email system which will be integrated with the main email solution at head office
- ✓ Command and control program to the point of the users interface which will help with incident resolution, call escalation and a total speed up of case resolution.
- ✓ Cost savings on IP phones, no need to install telephone lines